



DEPARTMENT OF THE TREASURY
WASHINGTON

Executive Registry

4170

October 29, 1985

[Redacted]
Executive Director
Room 7E12
CIA Headquarters

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Dear [Redacted]

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The implementing regulations of the Bank Secrecy Act (also known as the Currency and Foreign Transactions Reporting Act) will be amended effective 21 November 1985 to make explicit that information reported under the Act can be made available by the Secretary of the Treasury to members of the Intelligence Community. Attached at Tab A you will find a copy of the amendments as published in the Federal Register. (The reference in Section 103.43 to E.O. 12356 is in error and will be corrected to cite E.O. 12333.) STAT

This development will come as welcome news for several DI and DO components concerned with foreign financial flows related to narcotics trafficking and to other intelligence problems. Care will have to be exercised, however, in requesting material, which is derived from three reports (Tab B):

- Currency Transaction Report; currency transactions in excess of \$10,000 must be reported by financial institutions to the IRS.
- International Transportation of Currency or Monetary Instruments; the international transportation of currency and certain other monetary instruments in excess of \$10,000 is required to be reported to the U.S. Customs Service.
- Foreign Bank Account Report; Treasury requires that the ownership and control of foreign financial accounts be reported.

The Agency's request for access to Bank Secrecy Act information should be addressed by Mr. Casey to Secretary Baker and should include a statement of justification and the names of individuals authorized to make specific requests. I have attached for your background at Tab C correspondence with another department that recently requested access.



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Please do not hesitate to contact me if I can be of any further assistance in this matter.



~~Douglas P. Mulholland~~
Special Assistant to the Secretary
(National Security)


Executive Director
Central Intelligence Agency

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Enclosures: Tabs A, B, C

85-15329

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

7 AUG 1985



Honorable James A. Baker, III
Secretary of the Treasury
Washington, D. C. 20220

Dear Mr. Secretary: *Jim*

Under regulations of your Department regarding availability of financial transaction information for investigative purposes, I request your approval for access by Department of Defense criminal investigative organizations to currency transaction information maintained by your department.

This information is collected under the Financial Record-keeping and Currency and Foreign Transactions Reporting Act of 1970 (P.L. 91-508) and maintained by the Financial Law Enforcement Center of the United States Customs Service. The information in the Center's financial data base would be helpful in meeting the Department of Defense's law enforcement and investigative responsibilities under the Federal Criminal Code and the Uniform Code of Military Justice. Offenses routinely investigated include, but are not limited to, procurement fraud, bribery and kickbacks, drug transactions and black marketing.

Currently, one of four Defense criminal investigative organizations, the Naval Investigative Service, has received authorization from your Department for this access. I request you approve the following additional agencies for access and designate as authorized requestors the individuals listed for each agency:

Defense Criminal Investigative Service, Office of the Inspector General, DoD

- o Director - Mr. Bert G. Truxell
- o Director of Investigative Operations -
Mr. Bruce F. Kovens

United States Army Criminal Investigative Command

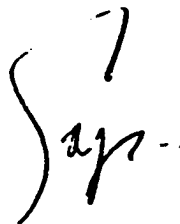
- o Deputy Commander - Col. R. C. Sanders, Jr.
- o Director of Operations - Col. James T. Roberts, Jr.

United States Air Force Office of Special Investigations

- o Director of Criminal/Fraud Investigations -
Mr. Charles R. Torpey
- o Deputy Director of Criminal/Fraud Investigations -
Lt. Col. Peter Garry

These officials will follow your Department's guidance concerning criteria and procedures for access to and utilization of this information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Garry", is written below the word "Sincerely,". The signature is stylized with a large, sweeping initial "G" and a trailing flourish.



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

Dear Secretary Weinberger:

Thank you for your letter of August 7, 1985, concerning access to information contained in reports filed with the Treasury Department under the provisions of the Currency and Foreign Transactions Reporting Act.

We will be pleased to receive requests for information from those persons authorized by your letter. Requests should be addressed to the Commissioner of Customs, 1301 Constitution Avenue, N.W., Washington, D.C. 20229. Attention: Director, Financial Investigations Division, Room 5146.

A copy of the Treasury Department guidelines governing the use of Currency and Foreign Transactions Reporting Act information is enclosed and should be read by those officials having access to the data. If the authorized officials have any questions concerning the access and utilization of the information, they should contact the Director, Financial Investigations Division, at 566-8005.

Sincerely,

**John M. Walker, Jr.
Assistant Secretary
(Enforcement & Operations)**

**The Honorable
Caspar W. Weinberger
Secretary of Defense
Department of Defense
The Pentagon
Washington, D.C. 20301**

Enclosure

**CRITERIA AND PROCEDURES FOR ACCESS TO AND UTILIZATION OF
INFORMATION REQUIRED BY THE FINANCIAL RECORDKEEPING AND CURRENCY
AND FOREIGN TRANSACTIONS REPORTING ACT OF 1970**

I. Introduction - The Congressional intent of the Financial Recordkeeping and Currency and Foreign Transactions Reporting Act of 1970 (P.L. 91-508) was to enhance Federal law enforcement efforts towards frustrating organized and white collar criminal elements in their use of secret foreign bank accounts and unreported domestic and international monetary transactions to conceal substantive violations of law. The Department of the Treasury has created a reports analysis unit in the Customs Service which receives all reports filed pursuant to this Act (i.e. on Treasury Forms 4789, 4790, and 90-22.1, copies attached) and enters certain information contained therein into a computer for rapid retrieval when appropriately authorized.

The Department of the Treasury wants to make this information readily available to all Federal law enforcement agencies for use in criminal, tax and regulatory investigations. At the same time, however, extreme care must be taken to ensure that the information gathered pursuant to this Act and contained in the computer is not misused in any way so as to avoid unfair or erroneous use or retention of information about individuals. For this reason these guidelines for dissemination and use are adopted. These guidelines are to ensure that disseminations are proper and place all recipient agencies on notice as to their responsibility pursuant to 31 CFR 103.43 (Availability of Information) and Department of

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the Treasury policy concerning information use and dissemination.

II. All requests for copies of the forms required by the Financial Recordkeeping and Currency and Foreign Transactions Reporting Act of 1970, or the information contained thereon, must be submitted to the Customs Service Reports Analysis Unit in written form by a Treasury Department agreed upon pre-designated supervisory official of the requesting department or agency. Information will only be released upon the request of that official. A request for specific report information must contain the following elements:

- a. A certification that the information requested about an individual or classes of individuals identified in the request is relevant to an investigation or proceeding by the requesting department or agency.
- b. A certification as to the specific nature or purpose of the investigation, or the violation(s) of Federal law, (e.g., whether it is a criminal, tax or regulatory investigation or other inquiry in connection with which the information is sought).
- c. A statement containing sufficient identification of the individual(s) named in the dissemination request to permit a valid examination of available

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files. Such identification information should be as specific as possible, including such items as the name, address, date of birth, and/or social security number (or other numeric identification number) to help ensure the legitimacy and accuracy of the information selected for dissemination.

In addition, the designated supervisory official of another Federal agency may develop, with the concurrence of the Commissioner of Customs or his designee (which may be no lower than an Assistant Commissioner), criteria to be used in selecting reports which are likely to be useful to the other agency in carrying out its regulatory or other law enforcement functions. Reports selected on the basis of the criteria or information from them will be automatically transmitted to the other agency after appropriate review and approval within Customs.

Nothing in these guidelines should be interpreted as prohibiting the Commissioner of Customs or his delegate from making report information available to another Federal agency whenever he has reason to believe that the information pertains to a crime which is in the investigative jurisdiction of the other agency.

III. All requests for information which satisfactorily meet the requirements above, received by the Unit, will be processed as follows:

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- a. The appropriate file searches or information analysis will be identified and developed pursuant to the requirements outlined in the dissemination request.**
- b. The identification elements contained in the request will be the only elements utilized to make a search. A dissemination of information will be made only where the information requested is identifiable through an exact match (name and unique number) or where the information requested so closely resembles information that is available (but does not exactly match the request) that it can be reasonably assumed to be the information intended in the request.**
- c. All disseminations must be individually approved by the Commissioner of Customs or his designee (which may be no lower than an Assistant Commissioner).**

IV. Requests not meeting the above criteria will be returned to the originating department or agency with an indication of the reasons why the request could not be met.

V. All disseminations will be made in accordance with these guidelines.

VI. All recipient departments or agencies must utilize the disseminated information pursuant to the following Department of the Treasury guidelines:

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- a. Disseminations in response to requests naming specific individual(s) are to be utilized only in an official investigation, inquiry or proceeding involving the identified individual(s) or where the information is evidentiary of violations of others.
 - b. When agencies are provided forms which meet certain specific criteria for use as possible investigative leads, that information is to be utilized only in conjunction with agency data and should not become the sole basis for the creation of agency files. In such situations, agencies shall not enter data from Forms 4789, 4790, and 90-22.1 into any data base or computer system (e.g., NADDIS, NCIC) without any additional basis, i.e., a match against an existing agency investigative, or intelligence record.
 - c. Each recipient department or agency will establish its own internal procedures to assure compliance with the law, regulations, and these guidelines. This should include criteria for use, dissemination and purging as well as routine audit procedures to insure compliance.
 - d. The Secretary of the Treasury may request the recipient department or agency to certify compliance
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with the constraints imposed by these guidelines, the Privacy Act and the regulations for Financial Recordkeeping and Reporting of Currency and Foreign Transactions as published in 31 CFR 103.

VII. Each letter of transmittal forwarding an authorized dissemination will include a statement that further dissemination by the recipient department or agency is prohibited by 31 CFR 103.43, Availability of Information. It will also state that creation of a new system of records or separate sets of files is prohibited.

VIII. Any improprieties, irregularities, or violations concerning the provisions of these guidelines, the Privacy Act, or 31 CFR 103.43 (Availability of Information), coming to the attention of the Reports Analysis Unit will be referred to the Deputy Assistant Secretary (Enforcement) for appropriate corrective action.